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Hypocrisy, Thy Name is Clinton

Clinton Proposed Drastic Across-the-Board Spending Cuts Just Two Years Ago

Just two years ago in his FY 1998 budget (released in 1997), President Clinton proposed a drastic across-the-board spending cut as a mechanism to insure balance. Now just two years later, President Clinton vehemently opposes the Republican proposal to simply reduce the rate of growth in discretionary spending.

Not only did Clinton make use of an across-the-board mechanism to reduce discretionary spending, but he went far further in its effect on discretionary spending than does the pending Republican proposal — and it affected Medicare and Medicaid, as well. Congress' current proposal is to slow the increase of discretionary outlays by \$3.5 billion, or just 0.59 percent in FY 2000, in order to prevent using any of the Social Security surplus. This is, of course, the same surplus that the President himself promises to protect. In contrast, President Clinton proposed an "across-the-board limit" in his 1997 budget for spending in FY 2002 if "the President and Congress cannot agree on how to close the gap" of a budget that was in deficit. These reductions would have, according to the Congressional Budget Office (CBO), amounted to \$43 billion in 2002 — including a \$20 billion cut in discretionary spending and an *actual cut* from the previous year's projected \$567 billion level.

And so, what Clinton then proposed was a real cut in qualitative terms, and a cut that encompassed more programs — yet Clinton today opposes what is but a slender fraction of that proposal.

President Clinton's Current Opposition

"This bill [Labor-HHS bill containing the adjustment] abdicates that responsibility by imposing across-the-board cuts that clearly will damage vital priorities . . ."
President Clinton, 11/2/99

" . . . It makes mindless across-the-board cuts in everything . . ."
President Clinton, 10/31/99

As pointed out in a recent RPC paper ["What 'Cuts,' Mr. President?", 11/2/99], President Clinton is opposing a \$3.5-billion reduction in the *growth* of so-called discretionary spending programs, offered expressly to avoid touching the Social Security surplus. That \$3.5-billion figure amounts to just a 0.59-percent reduction, and discretionary spending still *would grow 2 percent* above last year's outlay level.

Translated: the Republican proposal is not a cut, but a small slow-down in the growth rate, amounting to well less than one percent. Yet the President has been anything but restrained in his criticism of the proposal.

President Clinton's Past Practice

Just two years ago, President Clinton in his FY 1998 budget proposed his own across-the-board spending cut. It actually would have reduced discretionary spending below the prior year's level — in contrast to the slowdown in growth currently proposed by Congress — and would have reduced spending by far more in both actual dollars and percentage terms than what Congress is now proposing. And it would have encompassed far more programs — including reductions of \$6 billion in Medicare and \$3 billion in Medicaid. Quoting from Clinton's own FY98 budget:

"Mechanism to ensure balance in 2002.— The budget includes a mechanism to ensure that the President's plan reaches balance in 2002 under OMB or CBO assumptions. If OMB's assumptions prove correct, as the Administration expects, than the mechanism would not take effect. If, however, CBO proves correct — and the President and Congress cannot agree on how to close the gap through expedited procedures — then most of the President's tax cuts would sunset, and discretionary budget authority and identified entitlement programs would face an *across-the-board limit*."

[The President's FY 1998 Budget, Analytical Perspectives, p. 240; emphasis added]

More, Larger, Deeper, and Real

According to CBO, President Clinton's "across-the-board limit" would have been far larger than the one currently proposed by Congress. According to CBO, President Clinton's budget would have been in deficit by \$69 billion in 2002. According to CBO's analysis, Clinton's budget would have entailed a \$43-billion reduction in both discretionary and selected entitlement spending — including Medicare, Medicaid, and cost-of-living adjustments in federal programs other than Social Security. Taking \$20 billion out of discretionary spending — estimated by CBO in 1997 to be \$572 billion in 2002 — translates into a 3.5-percent reduction and a \$552-billion level. A \$552-billion level also would be well below CBO's estimated \$567-billion level for the preceding FY 2001 level.

Thus, not only was Clinton using by his own definition an "across-the-board" device, but, according to CBO, his device of just two years ago was:

- More — both discretionary and entitlement spending programs such as Medicare and Medicaid were encompassed in the 1997 Clinton proposal;
- Larger — \$43 billion in total across-the-board cuts and \$20 billion in discretionary spending versus \$3.5 billion today — these by over a factor of 12 in total across-the board cuts and almost six times greater in discretionary cuts;
- Deeper — 3.5 percent in discretionary versus just 0.59 percent today;
- And real — it would have reduced discretionary spending 2.6 percent below the previous year's discretionary spending level of \$567 billion — in contrast, current discretionary spending would still grow by 2 percent even with the across-the-board restraint.

Then and Now, Clinton and Congress, Hypocrisy versus Social Security

It is nothing new that Bill Clinton says one thing and then does another, but this time, we're talking "hyper hypocrisy."

Clinton not only proposed an "across-the-board mechanism" two years ago and opposes one today, but his would have produced more, larger, deeper, and real cuts in discretionary spending — all in contrast to what Congress proposes today.

Remember, what we're talking about is Clinton's own budget and CBO's own estimates — not Republican statements or Republican estimates. If he'd do so much more then, why won't he do just a fraction now — when the goal is to protect Social Security?

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